

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Governance Committee Meeting Transcript

Held telephonically, April 21, 2021, commencing at
11:01 a.m. Adjourned at 11:50 a.m.

[See attendees at end of Transcript.]

REPORTED BY:

Carrie Hornbeck, Executive Assistant

Broome County Industrial Development Agency

Chairman Bucci: All right, it's 11:01, so we'll call the meeting to order. The first order of business is to accept the transcript from the March 17th, 2021 meeting. As in previous months, this has been sent out to all committee members; they've had an opportunity to review it, and submit any modifications back to Carrie. So, the final transcript is now in our possessions, so I'll just have that officially accepted, as part of the record.

The next order of business is Public Comment. Individuals wishing to address the Governance Committee have five minutes. We ask that you state your name and address, and the floor is yours. So, now I'll open up our committee meeting to anyone who would like to offer Public Comment.

Ms. Lechner: I would like to comment.

Chairman Bucci: Yes, go ahead.

Ms. Lechner: Okay. Hello, my name is Diane Lechner. I reside at 58 Rose Lane, Johnson City, New York 13790, and I appreciate the opportunity to comment at your Governance Committee meeting this morning. I am appearing because I have some concerns about the fact that one item on your agenda -- the one that pertains to the application from the American

Horizon Group, was -- the agreement that was entered into with the Village of Endicott, was not subject to any public scrutiny. In fact, the Village Board, when they held their Special Meeting to vote on this PILOT, blocked any attempt for Public Comment at the meeting. So, I find this very troublesome. In addition, it seems as though the entire agreement has not been shared with the public in the Village of Endicott -- only parts that the -- certain members of the Village Board would like us to see. So, I respectfully request that the Governance Committee table this agenda item until such time as the public has had an opportunity to weigh in and review the agreement in its entirety. Thank you.

Chairman Bucci: Thank you. Is there anyone else who would like to speak at this time?

Mr. Coppola: Hello?

Chairman Bucci: Yes, go ahead.

Mr. Coppola: My name is Larry Coppola. I am -- I live in the Village of Endicott. I have forwarded an email to Stacey Duncan, and rather than consume any of your time, I would just request that she would possibly distribute copies of that to the Board. In regards to the project just recently

mentioned, it's an excellent project. I hope the Village of Endicott can see their way to approving this project, but prior to the approval, I believe more time and discussion is necessary regarding the PILOT program, and so, thank you.

Chairman Bucci: Thank you. Any anyone else who would like to address the committee at this time? Okay, thank you. Just Stacey, correct me if I'm wrong, but just for those individuals within the Village of Endicott, who have expressed concern about procedural matters of how the Board has handled this -- that's more -- really kind of an internal issue between the Board and the residents of the Village of Endicott. However, if the application is accepted, we will be hosting a Public Hearing. So, individuals within the village and with -- and throughout Broome County, will have an opportunity to address The Agency at a Public Hearing that we will be hosting.

Ms. Duncan: Yes.

Chairman Bucci: So, for those residents who feel that somehow their voices haven't been heard, I want to stress that there is an opportunity for you to be heard -- if this -- if the application is accepted. Secondly, we will then -- after the Public Hearing --

the application will come back before us, for final approval, and at that time, individuals can again address the Governance Committee, and can also address the full Board in Public Comment sessions that will be hosted. And, you can even address the full Board today. So, there are multiple opportunities for individuals to make their voices heard throughout this process.

Ms. Duncan: Yes, that's correct -- and Larry, I did forward your email to the Board, and any other correspondence that I received just prior -- until just prior to our meeting today. And yeah, just to reiterate, and I appreciate you clarifying that -- I think that there's the -- the requirement of the municipal approval when a PILOT proposal goes outside of our standard Uniform Tax Exemption Policies -- that requirement is so that we can advance this discussion that we're having today. Upon acceptance -- if this Board chooses to accept that application -- there is a required Public Hearing before the Board would consider a final approval. So, there's ample opportunity for the public to weigh in on the merits -- or the concerns on the project. As a staff, we review all of the project materials and make a

recommendation at this point in time -- in which I will do in -- later on in our agenda. But ultimately, the final decision lies with the IDA Board, correct.

Chairman Bucci: Okay, thank you. All right. So, hearing no other Public Comment, we will close this portion of our meeting and move on to our agenda items.

The first item on the on the agenda is a Review, Discussion, Recommendation to Approve the Renewal of The Agency's Contract with the National Development Council for an Additional 12-Month Period. A copy has -- was sent out to you with your packet information. Stacey.

Ms. Duncan: Yes. So, this would just be an annual renewal of our professional services relationship with National Development Council that we've had since I think, sometime around 2014 or 2015. This relationship to me is of great value, not only to the community, but to the staff. With this relationship with NDC, we are provided a number of professional development trainings that we would not otherwise have, as accessible without this relationship. But also, I think, on the technical assistance side, what NDC can bring to the table is a

lot of technical assistance with structuring more complicated projects -- as many of them I think, that will be occurring in the months ahead, are. There are unusual ones that we have coming up in the pipeline, and can provide guidance on structuring deals using the New Market Tax Credits, Opportunity Zone Tax Credits. So, it's really just an extension of our staff, in a way, that I would like to continue. As many of you know, Bob Sweet left NDC to become the Regional Director for Empire State Development. It was sort of an anomaly that Bob happened to be with NDC and be in Binghamton, but we have a great contact named Kevin Gremse. He's out of Connecticut, and I've spoken with him and we'd like to continue. The contract term is for 12 months at \$24,000.00 annually. There's [sic] no changes being proposed at this point in time.

Chairman Bucci: Any questions for Stacey? Any questions? Obviously, it was an asset to have Bob actually physically present right next door. So, it was kind of a bonus, obviously. I'll entertain a motion.

Mr. Peduto: So, moved. Jim.

Chairman Bucci: Is there a second?

Mr. Rose: Second, Brian.

Chairman Bucci: All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed? Any abstentions? Okay, motion is carried.

Next item on the agenda is a Review, Discussion, Recommendation to Authorize an Extension of the May 20th, 2020 Sales Tax Agreement with GJS Property Group from May 20, 2021, Through and including May 20, 2022, of Which the Total Shall not Exceed \$60,000.00. Stacey.

Ms. Duncan: Yes, Mr. Slavik has reached out requesting an extension of time and not surprising, as we've seen many of these come through due to delays with COVID, whether that be -- I think in this case with workforce issues, or construction delays and cost delays, supply chain delays. So, we recognize this need. So, we support an extension of time for one year, but no changes to the actual dollar amount of the benefit.

Chairman Bucci: Any questions or discussion? Entertain a motion.

Mr. Rose: I'll move it, Brian.

Chairman Bucci: Second?

Mr. Peduto: Jim. Second.

Chairman Bucci: Motion, Brian. Second,
Jim. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposition? Motion is
carried.

The next item on our agenda is a Review,
Discussion, Recommendation to Approve an Increase in
the Amount of \$25,312.84 to the Binghamton ASC, LLC
(The Company); \$34,392.38 Portion of the \$79,549.00
Sales and Use Tax Exemption Provided to The Company
and Ophthalmic Associates of the Southern Tier, P.C.,
Under the Sales and Use Tax Exemption Agreement Dated
September 23rd, 2020, Which Total Sales and Use Tax
Benefit to The Company Shall not Exceed \$59,705.22.
Stacey.

Ms. Duncan: Yes, in 2020, ASC was granted a
sales tax exemption in the amount of \$34,392.38.
Additional equipment and fixtures need to be purchased
from Alcon for the Ambulatory Surgery Center. The
figures provided at the time of the initial
application were based on information about additional
medical equipment and fixtures. It did not include
information on additional medical equipment and

fixtures needed at this time. So, in conjunction with the project, ASC is respectfully seeking an increase in sales tax exemption of the total amount of \$25,312.84. And they -- I do not believe at this time they're looking at any time extension -- just dollar value.

Chairman Bucci: Any questions or discussion? Entertain a motion.

Mr. Peduto: Jim.

Chairman Bucci: Motion, Jim. Second?

Mr. Gates: Second, Dan.

Chairman Bucci: Second, Dan. All in favor.

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed? Motion is carried.

Next item on the agenda is a Recommendation to Accept an Application from Kashou Enterprises Incorporated (The Company), for a Lease/Leaseback Transaction to Facilitate the Financing of the Construction, Rehabilitation, Renovation and Equipping of the Greater Binghamton Sports Complex, Located at 1500 County Airport Road, in the Town of Union, to Provide for a Sales and Use Tax Exemption Benefit in the Amount not to Exceed \$240,000.00, to Provide for a

Mortgage Tax Exemption in the -- an Amount not to Exceed \$30,000.00, to Provide for a Real Property Tax Exemption in an Amount not to Exceed \$620,721.83, and Authorizing The Agency to Set and Conduct a Public Hearing with Respect Thereto. Stacey.

Ms. Duncan: Thank you. Yes, I'm pleased to present the Board with this application from Kashou Enterprises for the reconstruction of the Greater Binghamton Sports Complex. As many of us may know, this facility suffered a collapse due to the significant four-foot snowfall that we received, and is a vital asset to the community -- as certainly -- as a parent, I spend a lot of time in that facility and I know how valuable that is. So, we were able to [inaudible] Mr. Kashou and his team and understand what they're looking to do with this project. It includes the reconstruction of the Greater Binghamton Sports Complex with approximately -- just shy of 100,000 square foot steel, metal building. So, it's a new design and new -- and, I think probably, a new technology, from what the old structure was. They are looking to expand into new sports programs and event hosting -- something that the community has needed and wanted for years. The new event center on Airport

Road will house five indoor turf fields, a two-story clubhouse -- which would also house a restaurant, retail space and several other potential tenants or users that would relate to sports. It is a family-owned business that has been in the field of sports for more than 20 years. Developed and grew all-field sports in the Broome County area and have created some of the most successful programs in the Northeast. The proposal for you today is a standard 10-year term, developed out of our office and in consultation with the Town of Union and with the project applicant. So, you have been provided a Cost Benefit Analysis and staff recommends advancing this application.

Chairman Bucci: Any questions or discussion? Entertain a motion.

Mr. Peduto: Jim.

Chairman Bucci: Motion, Jim. Is there a second?

Mr. Gates: Second, Dan.

Chairman Bucci: Second, Dan. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed? Motion carries.

The next item on our agenda is a Review, Discussion, Recommendation to Accept an Application from American Horizons Group, LLC (The Company), for a Sale/Leaseback or Lease/Leaseback Transaction to Facilitate the Construction and Equipping of the Altura at Sky View Heights Housing Project, Located at 105-1/2 Sky Island Drive in the Village of Endicott, Town of Union, to Provide for a Sales and Use Tax Exemption Benefit in the Amount not to Exceed \$800,000.00, to Provide for a Mortgage Tax Exemption in an Amount not to Exceed \$160,000.00, to Provide for a Real Property Tax Exemption in an Amount not to Exceed \$8,811,446.24, and Authorizing The Agency to Set and Conduct a Public Hearing with Respect Thereto. Stacey.

Ms. Duncan: Okay, thank you and Rocky is here with us, if anybody should have questions after my review, I'm sure he'd be happy to answer. Project description -- American Horizons Group is proposing the development of a 21-acre site at 105-1/2 Sky Island Drive, in the Village of Endicott. While the site is contiguous with the existing Sky View Heights 55 and older rental community, also owned by American Horizons Group, this project is separate and distinct

from that project. We do have an existing PILOT with American Horizons Group for Sky View, and the project has maintained compliance with all applicable terms and agreements related to the project. Sky View is also fully-occupied and thus has created additional demand in the 55 and older population. The new development will be called Altura at Sky View Heights, and will also be, as mentioned, a 55 and older rental project. The project will be a gated community consisting of approximately 120 units, both one and two-bedroom, ranging in size from 800 square feet to 1,500 square feet. The project will also include amenities often found in these types of developments, such as an indoor pool and community area. Parking is planned for below the building complex and all utilities will be installed underground. The benefits sought for this project -- the applicant is seeking a 22-year deviated PILOT and has presented this to the Village Board. In addition, our staff, as well as Town of Union -- through our -- the assessing unit, have reviewed and consulted with the project applicant on the PILOT, and we -- at this point, have seen no structural concerns over the PILOT -- the proposed PILOT schedule. The Board, as was noted -- the

Village Board voted to approve the PILOT at a Special Meeting earlier this month. You have received comment from those, as mentioned before. Also, we shared Minutes from the Village Board meeting, as well. You also have a Project Summary and Cost Benefit Analysis. I'd like to continue to thank the Board for consideration of the numerous projects in the village. We do know that the continued support of economic development in the Village of Endicott has been an important priority, and I'd like to just outline a few reasons why staff feels that this is a strong and sound project for the village. Questions that we look at when considering a project of this scope: does the project address the continued demand for market-rate rental housing? Yes, we believe it does. All of the market rate rentals that have come on line essentially since 2016, are at full occupancy with waiting lists. Sky View Heights is the only project targeting the 55 plus population. And we know that, as mentioned, he's at full occupancy and there's still a demand for this level of housing. There is a need to provide -- one thing we do tend to overlook is that this also contributes to the retention of the 55 and older population, who we tend to overlook when we're talking

about retaining our population, but it's an important constituency who provide tax stabilization and input to sales tax revenue. Opening up more market rate housing, we think, could have an effect on opening up more housing inventory in Broome County. Like many communities in New York State, in this past year, we've seen a significant shortage of appropriate housing inventory at all levels of income. The developer has a proven track record of completing projects on time and in the manner by which the project was initially proposed. And the community I believe, will be served -- well-served to continue to work with such developer. Without this development, it's anticipated that tax revenue generated for the land over the proposed term would be approximately \$160,000.00. With the project and proposed PILOT, taxing jurisdictions will receive approximately sixteen million dollars in PILOT payment over the term, with more than eight million going to the Union-Endicott School District. The developer, as was mentioned in some correspondence -- the developer will be responsible for the development of all required road and infrastructure improvements and PILOT payments, we believe, will sufficiently cover the

increased cost of services needed by the village. For those -- these reasons, staff recommends acceptance of the application with the proposed schedule and advancement to a Public Hearing. I'd be happy to take any questions -- and as mentioned, I believe Rocky's here somewhere -- lost him on the screen -- if anybody has questions.

Chairman Bucci: Are there any questions for either Stacey, or for the developer, at this point?

Mr. Rose: Yeah. Mayor, a question, I think, for Stacey. The Uniform -- the UTEP -- so, if this were going to be a standard PILOT, is this considered a commercial property? So, it would be a 10-year term?

Ms. Duncan: It would.

Mr. Rose: I need to understand the value of the deviation.

Ms. Duncan: Yeah, I mean, and you make a -- yes, it would -- it would be looked at as a commercial property, according to our Uniform Tax Exemption Policy, because as it currently stands -- although we've done multiple housing projects, we do not have a specific standard term -- something we're looking at addressing, for housing.

Mr. Rose: A second question -- does the staff use any kind of ratio or, financial metric in assessing the scale? I mean, you're -- the staff is recommending this.

Ms. Duncan: Um-hm.

Mr. Rose: And I'm -- I just started playing with numbers, and I don't know if the numbers I'm playing with mean anything, but to throw a couple out there -- the total project cost, and the value of the PILOT -- I mean, the PILOT is 44 percent of the total project cost. If I were to amortize the value of the PILOT over 121 units, that's 73,000 and change, per unit, over the life of the PILOT, and it would cost \$260.00 a month in extra rent, per unit, to make up the value of the PILOT. Right, again, I'm just trying to . . .

Ms. Duncan: Um-hm.

Mr. Rose: . . .understand the -- how much the deviation is worth, through a few different lenses. Does the staff do that in some fashion? What metrics should I be looking at?

Ms. Duncan: Yeah, I mean, and that's -- one of the things we look at is -- when we're looking at ratio, the benefit to the developer versus the benefit

to the community. It's somewhere along the lines of, a 55/45 -- just kind of a rule of thumb we can look at is -- is the developer paying somewhere, at least at minimum, 55 or more percent in PILOT payment, versus what that discount is to the developer. I mean, that's -- it's kind of a simplistic model, but it's a model that helps us as we look at outlining what's that cost per unit -- cost per -- that cost versus benefit to the community.

Mr. Rose: Thank you.

Chairman Bucci: Any other questions?

Ms. Lechner: Are you entertaining questions from the public, or not?

Chairman Bucci: Oh, no, not at this time, no.

Ms. Lechner: Thank you.

Unknown: Hello.

Chairman Bucci: Okay. Hearing no other discussion at this point, I'll entertain a motion. Is there a motion? Okay, hearing no motion, I guess we'll move this forward to the Board -- full Board, as a -- without a recommendation, I guess is the best way to state it right, Stacey?

Ms. Duncan: That's correct.

Chairman Bucci: Okay. So, there's no motion at this time for, or opposed. So, we'll move it to the full Board, without a recommendation.

Next order of business is a Review, Discussion, Recommendation to Authorize Financial Assistance to the Broome County Planning Southern Tier ARC Power Grant (Broadband) in an Amount not to Exceed \$15,000.00.

Ms. Duncan: Yes, so this -- as was outlined via email to the Board -- this project would include the financial participation in the County Planning's Innovation District Fiber Enhancement Grant. Oftentimes, these grants are leveraged with a financial partner. We've been approached by Beth Lucas, with Broome County Planning, to provide assistance in partnership on this project. This project will assess expansion of the Southern Tier Network Open Access Model Fiber Infrastructure -- quite a mouthful -- to increase resiliency and redundancy in JC, Endicott and Binghamton for the purposes of this grant, specifically. This will include -- connect strategic development locations within the idistricts, with the goal of increasing Smart Cities Technology to benefit those said areas.

This project will define the route and build-out design costs for fiber expansion, broadband expansion, and establish an Internet of Things network to enhance community services and local business efficiencies. This will build on efforts to establish Centers of Innovation with Services for Modern Industry Investments. So, as mentioned, we just basically, took a unanimous of measure via email. So, this action will approve, formally, that participation in that program.

Chairman Bucci: Any questions or discussion for Stacey? I just had an observation. As you know, I support the project. I think it's worthwhile. I like the outline that they provided, but I just wanted to note that the county received thirty-seven million dollars in the most recent stimulus funding. So, I wasn't sure how critical the need was, but I liked the idea -- like of, participating with them and supporting them. And it's not a large amount of money, so I certainly am okay with it.

Ms. Duncan: And as -- yeah, and I fully appreciate that point, and oddly enough with these federal grant funds, they often -- if you can leverage

it -- an additional partner on this, they look more favorably -- but your point is well-taken.

Chairman Bucci: Okay, any other comment, question or discussion on this particular item? I'll entertain a motion.

Mr. Rose: I'll move, Brian.

Chairman Bucci: Moved by Brian. Is there a second?

Mr. Peduto: Jim.

Chairman Bucci: Second, Jim. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed? Okay, motion carries.

Okay, that ends the formal part of our meeting in regards to agenda items. We are now going to move into a discussion in regards to creating PILOT guidelines for solar and other energy storage projects. Those on-liners are certainly welcome to stay, but I just want to let you know where we're going, that the formal part of our meeting is over, but we're going into a discussion about PILOT guidelines for technology, that's now on the horizon. The formal Board meeting will start at noon, and for those of you who may attend that, there's also an

opportunity for Public Comment at that meeting. So, with that, I'll move to Stacey -- if you want to kind of, begin the facilitation of the discussion, and we'll go from there.

Ms. Duncan: Yeah, so I've sent to the Board a red-lined copy of what we previously discussed at our last Governance Committee meeting, in an effort to advance to the development of a Standard Tax Exemption Policy, as it relates to Solar and Energy Storage Projects. As was mentioned, we have a number of projects percolating in the community -- most specifically, is one that's being developed and proposed in the Town of Triangle, which is the furthest along, I would say at this point in time. So, this was the initial draft that we created. I have added -- I think, in some conversations since that initial meeting -- added some updates. One of the things that was mentioned, and I think most impactful, was if you look under criteria, and you look under Item Number One, Payment in Lieu of Taxes shall be established -- my recommendation -- I know we had talked about a higher per megawatt -- but doing an additional scan across New York State and where these projects are being priced -- the 6,000 is actually the

high-end. It is the highest value of what we're seeing -- most average somewhere between 4,000 to 5,500 -- so, I think my recommendation would be that we -- and I'm speaking specifically on the PILOT, not any HCA, not any other additional benefit -- but looking at the PILOT per megawatt as -- as a 6,000. I would also recommend that we steer clear of any HCA agreements. While we can require one, I think our office is typically -- would not be involved in negotiating what the said HCA would be. One thing that was pointed out to me by a peer in the region is that if you are negotiating the HCA, with the PILOT, you're also making -- you also have to make sure that you're calculating that benefit and divvying that up by taxing jurisdiction. One of the flexible things about the HCA's is the municipalities can use that in a way that enhances what they pertain to be their needs. So, my recommendation would be that the Payment in Lieu of Tax shall be established at 6,000 per megawatt. Other things I wanted to point out, is that according to new -- what was recently passed in the budget -- prevailing wage rates will now apply to projects at or above five megawatts of energy production. That's really more of a point of

information. But it's something that we will need to make sure is complied with. And one of the things on Item Number Seven of this, was the idea of the energy generated being pre-offered, or given a preference to Broome County residents. Again, in speaking with peers in the region that have done multiple solar -- what they've said is, it's often challenging to require that the energy stay, if it's not in a pre-metered situation -- but certainly, if it's not through a requirement of -- or preference for energy to remain in the community, some other benefit can be defined as through the development of an HCA that identifies additional economic development benefit. Those were really I think, the only things that I made modification to for the Board's discussion. I don't know if there was anything else that -- oh, I will note one of the things that was suggested is that we start at a megawatt size -- project size, somewhere above one megawatt -- noting that one megawatt could be a simple solar -- a few solar panels on a retail roof -- which may not be the type of projects we want to get involved with -- we want to stay with the commercial industrial-level projects. I can tell you that the proposed project in the Town of Triangle is

3.8 megawatts. So, my recommendation would be we stay somewhere in that area of two to three megawatt, as the minimum threshold of projects we would consider for a PILOT. That was all that I had. I don't know if there was any other . . .

Chairman Bucci: Any other questions or comments at this time?

Mr. Rose: Yeah. Stacey, or anybody, I guess that has been thinking about this. So, the -- everything you said makes sense to me and I've paid attention to the conversation throughout. And I want to take it all the way sort of, back down to the foundational level. If we did nothing, don't adopt this at all -- what's the difference between adopting this and doing nothing?

Ms. Duncan: Um, I mean, I think that the difference is that, we could potentially bring to the table more PILOT payment than perhaps the municipality could, quite frankly. I think that's one of the biggest benefits that we can negotiate -- is a higher PILOT payment, than what's currently being -- that might be offered and quite frankly, capacity for local governments that may not be able to do that, and we can work on their behalf.

Mr. Rose: Got it. So, it would be -- and I think you said earlier -- and this clarifies some of the conversation we had last time, or perhaps positions it a little differently and in more simple [sic] context -- we wouldn't get engaged in the Host Community Agreement or the Road Use Agreement negotiation. That would stay at the municipality, its value is whatever its value, and we wouldn't use some kind of sliding scale on the benefit of the PILOT and adjust it based upon the value of the HCA. Do I understand that correctly?

Ms. Duncan: I mean, that's -- based on some conversations I've had subsequently, it's the recommendation I'm making for the reasons that our role is to provide PILOT benefit, and that there are -- it becomes -- and the goal of this is to create a standard tax exemption. Like, as we've seen with projects, if a developer feels that they need something different than what we can offer through our policies, they work within the deviation, if you will. For the purposes, I think, of what we're trying to establish, is a standard program that works well in all of our municipalities that provides in my estimation, and I think, potentially a higher PILOT

payment, than would otherwise have been afforded, and just creates that uniformity among the -- among our municipal partners.

Mr. Rose: Got it. So, if somebody comes in and proposes a project, then and we have this policy, as drafted in place, and it meets the threshold to apply the project, whatever we ultimately decide that threshold is -- we've established some certainty around the value of the PILOT payment that that developer, energy provider, whatever they are, would have to make, correct?

Ms. Duncan: Um-hm.

Mr. Rose: Provided a floor. And, so conceptually, then, I guess that developer of the project knows that going into whatever they talk to the community about, in terms of the value of the HCA.
. .

Ms. Duncan: Um-hm.

Mr. Rose: Right? So, they may apply it in terms of total project costs, and think about it as it relates to how much they're willing to offer with respect to the HCA. Am I off base there? Or is that a reasonable conclusion?

Ms. Duncan: No, I think that's a reasonable conclusion. I mean, I think where I could see, I guess, feedback is in this scenario, as we know, what occurred with the Bluestone project was they negotiated, as our policy enables for, a benefit -- a total dollar benefit -- per megawatt benefit, that was tipped by way of the HCA was higher and the PILOT was lower. So, that -- I don't think that precludes that from being the case. I think what we're trying to do is to create what we think is a sound PILOT program. And I think that as an entity, the HCA discussions -- unless a municipality wants us to be involved in those -- I think our role is to determine if the PILOT -- is to look at the PILOT benefit.

Mr. Rose: And last question, there was -- you had shared information about state legislation or regulation -- I don't remember if it was regulatory or legislative -- and it seemed to bring into question, the assessment calculation on a project -- on an energy project, right, and so, how does that direction -- should that influence our thinking in some way? Or what's going on there? Help me.

Ms. Duncan: Yeah, so I think you're referencing -- so I participated among IDA peers

throughout the state, and New York State Economic Development Council with a discussion with NYSERDA, who, as we know, with a lot of the Governor's initiatives, it's expediting these projects. One of - - a few of the things that have come up as a result of that conversation -- two flaws that were outlined is - - one, more organizationally -- IDA's are often measured on the projects that elicit job creation, and as we know, the two we're doing the most it seems these days -- housing, and now I think, renewables -- don't elicit a lot of significant permanent job creation. That's not what they're intended to do. So that was one area that we've relayed concern about in measuring the performance. And then secondly, was -- and we're newer in this, so it was very eye-opening for us -- is that there's no uniformity among the way that the assessment is calculated. And the different approaches using -- as an appraiser would use -- the income approach versus, a cost approach. And so, one of the recommendations from the IDA's was to create, at the state level, uniformity in how these projects are to be basically valued, because you're getting a lot of discrepancies among these projects.

Mr. Rose: Thank you.

Chairman Bucci: Stacey?

Ms. Duncan: Yep.

Chairman Bucci: I have a couple thoughts. One is why not include wind in this, as well, because wind is a megawatt, measurable project? Why not have one all-encompassing policy for solar, wind and battery all together?

Ms. Duncan: We can adapt to the same schedule for wind, if the Board chooses, yeah. I'll do a review of wind and see if there's any significant nuances with wind versus solar and storage. I don't know that there would be, but I'd like to at least confirm that there are any significant nuances with the way the wind PILOT exemptions are structured versus these. Yeah, but if not, then I would recommend we just include that as all renewable.

Chairman Bucci: That's fine. Yeah, if we have a megawatt formula, that could be consistent for all of them.

Ms. Duncan: Sure.

Chairman Bucci: The other thing is on the Payment in Lieu of Tax, I understand the \$6,000.00 amount, although I noticed -- like, I had sent out that Schoharie [County] is instituting a \$20,000.00

per megawatt, which is obviously very high -- and, but I was wondering -- I kind of, mentioned before, if we feel that is unattainable or not practical or whatever it may be in regards to that kind of amount, what about like, a gradual increase, based on megawatts? So, for example, the smaller the project, the smaller the PILOT. So, like, I was saying, from zero to five megawatts, \$6,000.00 per megawatt, five to ten -- 7,500 per megawatt, ten to twenty-five -- 9,000 per megawatt, and over twenty-five, to be negotiated. So, as the project gets bigger, the anticipated PILOT payment should, I think, increase, as well. So, if we can't go with one huge -- because, we don't have the question is, we don't wanna [sic] leave money on the table, I guess. So, I mean, I throw that out as a concept, too -- if we, we don't go with a huge, large -- like Schoharie County is doing -- maybe stepping it up, based on the size of the project.

Ms. Duncan: Yeah, I mean, if the Board so chooses, we could look at a scaled approach, depending on the size of the project -- it's certainly reasonable. I -- another thing we can look at to, where we may want to spend a little bit of time on, is we've recently learned is -- typically, these projects

are in fallow, less developable land. So that benefit really is just that net new tax revenue generated, because these are typically going in land that you wouldn't otherwise find use to develop -- which is one of the benefits of them. But we also -- we had a meeting with our CCE partners, who notified -- and I don't think it's happened here, and I don't -- I haven't heard of it happening too much across the state, but certainly, in more rural communities where a premium ag [sic] land is being considered, we can look at a premium on that, because you don't want to take away prime development land for something like this. So, I think there's a mechanism by which we can scale up. But, based on what I'm seeing -- that the 6,000 would be the cap. And a lot of it relates to the cost of these projects, by the developer for the interconnection with the utility. So, with NYSEG in our case. That's where a lot of the costs make the -- make these I guess, not pencil well, without the PILOT benefit.

Chairman Bucci: Okay.

Ms. Duncan: I can propose that and bring -- send that back to the group if you'd like to look at a scaled approach.

Chairman Bucci: Just -- before I go to questions, just one procedural thing, Stacey. So, we're not done right now. So, I know others may want to speak, but just procedurally, is this on -- this is on as a discussion item for the full Board right now -- the next meeting, or no?

Ms. Duncan: I believe so. Let me pull the agenda. Yes.

Chairman Bucci: Okay. So, we thought, I guess -- would -- I guess you could outline, like you did for us -- and I -- anybody else who wants to jump in at that point in time, can add their comments. And then, the idea is that this would percolate with the full Board and then they would make a determination if they want to put it on the May agenda or if they need more time, then. Am I correct in that?

Ms. Duncan: Yeah, I would send out -- following discussion today, I'll send a final, sort of draft, for consideration. And then next month, we would actually add it as a resolution, versus just a discussion, and then it would be also a modification to our UTEP, because we will be adding this as a criteria of exemption [sic]. So, there'll be sort of two actions in one. So, it would be modifying our

UTEP to reflect this new exemption schedule, and as well, to approve -- and essentially approve it and advance it.

Chairman Bucci: Okay. All right, I'll open it back up. Are there any other questions or comments at this time for Stacey?

Mr. Peduto: Stacey, this is Jim. I just have one quick one. Do we have any sense of the combination of the HCA, Road Use, plus PILOT, in terms of what those translate on a net, per kilowatt cost?

Ms. Duncan: Yeah, I think, Jim, to be honest, I think we're hovering in that 6,000 range. I think it's far -- it's below ten -- it's below the 10,000 proposed, quite frankly, to say, somewhere in that range of total. . .

Unknown: [Inaudible.]

Ms. Duncan: . . . but yeah, I can probably get some more aggregated regional data on the HCA's. Honestly, a lot of our peers, they just -- they're not getting as involved in the HCA process, and they've actually strongly encouraged that we just focus on the PILOT program.

Mr. Peduto: No, I agree with that. We -- I think you're -- it's well thought out and not -- for

us not to be involved in trying to micromanage the HCA's. But I'm just -- what I'm trying to get a sense of . . .

Ms. Duncan: Total?

Mr. Peduto: Is the total. So, if a developer has \$10,000.00 per kilowatt hour to give, how does our 6,000 fit into that? If the typical project is -- they've got \$12,000.00, \$15,000.00 per kilowatt -- is -- maybe that puts the six into some kind of context? I don't know if that makes any sense?

Ms. Duncan: Yeah, I'll take a closer look at that and see what that -- I mean, I know some being proposed are in the range of 3,000 to 4,500. So again, we would be at the higher end -- we'd be at a higher end of that cap, if we were to move forward with the six. And, again, we could -- once I know, I can reach out and find out -- is the 6,000 in other parts inclusive of an HCA, as well, and do we want a percentage -- X percent must be provided in PILOT payment versus -- I think it's just how perspective we want to be on that. But honestly, I'll need to get you some data on what those total amounts look like.

Mr. Peduto: That'd be great. Thanks.

Ms. Duncan: Thank you.

Chairman Bucci: Any other comments, or discussion at this point in time? Okay, then, Stacey, I guess we're all set right now. We will probably, kind of, recap some of this at the full Board meeting in our discussion, then. So, other than that, I guess this discussion item is closed for now for us, and I'll entertain a motion to adjourn the Governance Committee meeting.

Mr. Rose: So, moved, Brian.

Chairman Bucci: Second?

Mr. Gates: Dan.

Chairman Bucci: Second, Jim. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Meeting's adjourned.

[Meeting adjourned on a motion by Mr. Rose, seconded by Mr. Peduto at 11:50 a.m.]

[Attendees: Rich Bucci, Jim Peduto, Brian Rose, Dan Crocker, Dan Gates, John Bernardo, Stacey Duncan, Tom Gray, Natalie Abbadessa, Carrie Hornbeck, Theresa Ryan, Brendan O'Bryan, Amy Williamson, Joe Meagher, Bob Kashou, Monarco "Rocky" DiFrancesco, Larry

Coppola, Cindy O'Brien, Anthony Pannicia, Michael
Tanzini, Dan Faldzinski, Diane Lechner, Anthony Bates,
Aaron Martin, Nick Burlingame, Beth Lucas, Rose Lane.]

STATE OF NEW YORK :

COUNTY OF BROOME :

I, CARRIE HORNBECK, Executive Assistant,
do certify that the foregoing is a true and accurate
transcript of the Broome County Industrial Development
Agency Governance Committee Meeting, held
telephonically, on April 21, 2021.

Carrie Hornbeck / signed electronically

CARRIE HORNBECK

Executive Assistant

The Agency Broome County

Industrial Development Agency

FIVE South College Drive

Binghamton, NY 13905